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February 10, 2012 TRC Solutions Project No. 182978

Mr. Gary Moore U.S. EPA Region 6 1445 Ross Avenue, Suite 1200 Dallas, TX 75202-2733

Re: Weekly Progress Report
Falcon Refinery Superfund Site
Ingleside, San Patricio County, Texas
TXD 086 278 058

Dear Mr. Moore:

On behalf of the National Oil Recovery Corporation (NORCO), TRC Solutions (TRC) submits this Weekly Progress Report on the Removal Action Activities at the Falcon Refinery Federal Superfund Site to the United States Environmental Protection Agency for your review.

If you have any questions, comments, or concerns, please do not hesitate to contact me at (512) 699-9931.

Sincerely, TRC

Alonzo G. Arredondo Senior Geologist

Attachment: Weekly Progress Report cc: National Oil Recovery Corporation

WEEKLY PROGRESS REPORT - Falcon Refinery Federal Superfund Site, Ingleside, TX;

1. TASKS NECESSARY TO COMPLETE THE REMOVAL ACTION

- Butane Tank This tank will be steam cleaned. The sludge will be disposed of appropriately.
- Tank 7 This tank requires the removal of liquids and sludge.
- Tank 30 Liquid has been removed. The remainder of sludge will be removed when collapsed roof is removed.
- Tank 12 Liquid and sludge have been removed.
- Tank 26 This tank requires the removal of liquids and sludge.
- Facility Pipes The pipes that contain material will be carefully handled to allow for the removal of the contents within them.

2. THE SCHEDULE OF ACTIVITIES TO COMPLETION DATE (June 9, 2012)

- Tank 7 Removal of liquid, bottoms and demolition: February 10, 2012
- Tank 30 Liquid has been removed. The sludge will be removed when the roof is repaired.
- Butane Tank Steam clean the vessel/disposal of sludge: January 27, 2012
- Tank 12 This tank is empty.
- Tank 26 Treatment of water, recycling of oil, centrifuging sludge and disposal of residual solids at U.S. Ecology: June 9, 2012
- Facility Pipes The material that remains in the facility piping will be removed as the tanks and connecting pipelines are demolished.

3. PROJECT ACTIVITIES COMPLETED THIS REPORTING PERIOD (FEB 6 - 10, 2012)

 NORCO received the cost proposal for the installation of the wastewater treatment system for Tank 26 and the construction of the irrigation fields on February 7, 2012. The proposal is under review.

4. ACTIVITIES PLANNED FOR NEXT WEEK (FEB 13 – 17, 2012)

• Implement the activities necessary to setup and construct the wastewater treatment system and the irrigation fields.

5. ISSUES ENCOUNTERED

- The fiberglass insulation has been segregated in the Tank 10 and Tank 27 areas and is ready for loading and disposal. The cost proposal for the loading and disposal of the fiberglass insulation is currently under review.
- The removal of the floating roofs in Tanks 12 and 30 is currently under review.
- Tank 7 A recommendation was submitted to demolish this tank to facilitate the removal the internal floating roof and remaining paraffin sludge. This recommendation is currently under review.
- A proposal for the treatment of wastewater from Tank 26 and construction of the irrigation fields has been received by NORCO. The proposal is currently under review.